

# An Overview The Tennessee HOPE Scholarship Program



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# The Importance of Higher Education for Tennessee

- Tennessee is in a national race to develop a knowledge-based society that facilitates competition in the information marketplace. The academic imperative to maximize the achievement of all students must come to the forefront.
- Major gains are unlikely unless higher education works cooperatively with the K-12 sector to ensure that students are prepared for college, educational costs remain affordable, and a greater percentage of students to enter and graduate from college on time.
- By bringing these pieces of the puzzle together, Tennessee will eventually be able to realize a higher degree of performance in a variety of educational, economic, and social categories.



# Benefits of Investments in Higher Education

Institute for Higher Education Policy (1998)

Private social benefits

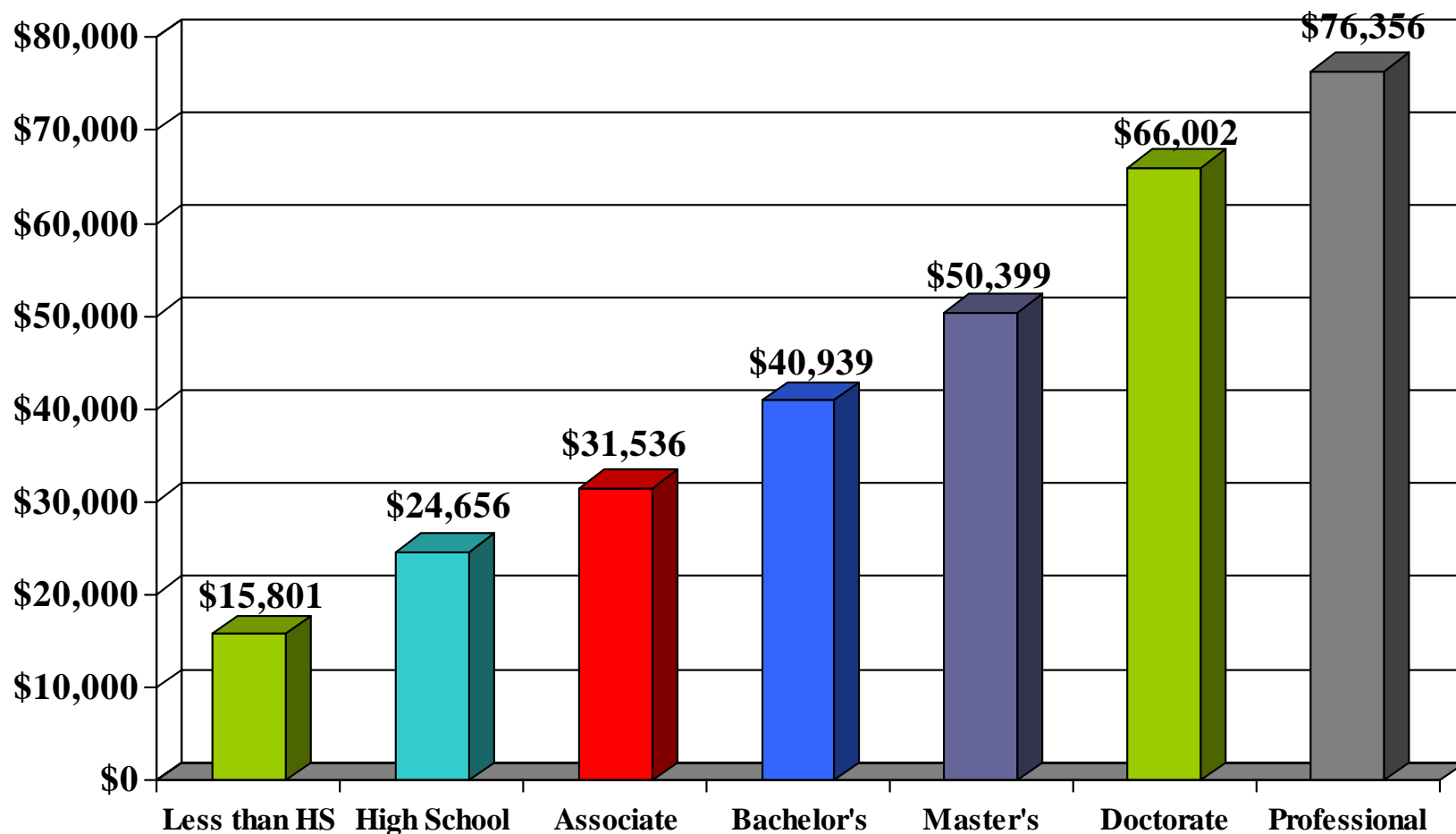
Public social benefits

Private economic benefits

Public social benefits

This framework ensures a review of all benefits while recognizing that some benefits are not easily placed into one category, but rather contribute to multiple categories leading to the interdependency of public and private benefits and social and economic benefits.

# Financial Benefits of Investments in Education



Source: U.S. Census Bureau, Current Population Survey, March 2002

# Student Progression - National Studies

- Several recent studies have highlighted the difficulties that high school seniors have with respect to transitioning through the educational pipeline.
- Less than 60% of Tennessee's high school seniors graduate on time with a degree.
- Only 14 of every 100 9<sup>th</sup> graders in Tennessee will graduate from college.



# Educational Attainment among SREB States

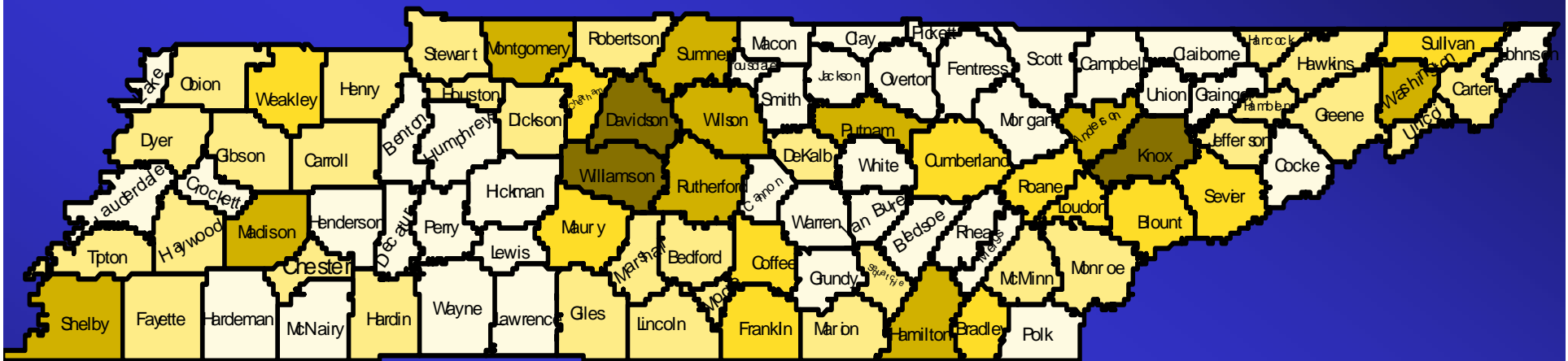
Percentage of Population 25 or Older with a Bachelor's Degree (2000 Full Census)					
	1990	1995	1999	2000	% Change
United States	20.3%	23.0%	25.2%	24.4%	4.1%
SREB States	18.6%	19.9%	21.7%	22.4%	3.8%
Alabama	15.7%	17.3%	21.8%	19.0%	3.3%
Arkansas	13.3%	14.2%	17.3%	16.7%	3.4%
Delaware	21.4%	22.9%	24.0%	25.0%	3.6%
Florida	18.3%	22.1%	21.6%	22.3%	4.0%
Georgia	19.6%	22.7%	21.5%	24.3%	4.7%
Kentucky	13.6%	19.3%	19.8%	17.1%	3.5%
Louisiana	16.1%	20.1%	20.7%	18.7%	2.6%
Maryland	26.5%	26.4%	34.7%	31.4%	4.9%
Mississippi	14.7%	17.6%	19.2%	16.9%	2.2%
North Carolina	17.4%	20.6%	23.9%	22.5%	5.1%
Oklahoma	17.8%	19.1%	23.7%	20.3%	2.5%
South Carolina	16.6%	18.2%	20.9%	20.4%	3.8%
Tennessee	16.0%	17.8%	17.7%	19.6%	3.6%
Texas	20.3%	22.0%	24.4%	23.2%	2.9%
Virginia	24.5%	26.0%	31.6%	29.5%	5.0%
West Virginia	12.3%	12.7%	17.9%	14.8%	2.5%

**TN ranked 10th in the SREB in 2000, an increase of one position over 1990.**

**To reach the average attainment level of our border states, we need to create 181,530 additional college graduates**



# Percent of Population with a Bachelor's Degree - 2000



Average for Tennessee in 2000: 19.6%

Average for U.S. in 2000: 24.4%

In 75 of Tennessee's 95 counties, 15% or less of the overall population aged 25 and older hold a college degree.

In 41 counties, 10% or less hold a college degree.





A map of Tennessee showing its 95 counties, each colored according to the year it was admitted to the state. The colors range from dark brown (earliest) to white (latest). The map shows a clear progression of statehood dates from the western part of the state towards the eastern part. The westernmost counties, such as Shelby, Fayette, and Hardeman, are dark brown, indicating they were among the first to be admitted. As one moves eastward, the colors transition through shades of yellow and orange to white, representing counties admitted later in the state's history. The easternmost counties, including Hancock, Sullivan, and Johnson, are white, indicating they were the last to be admitted.

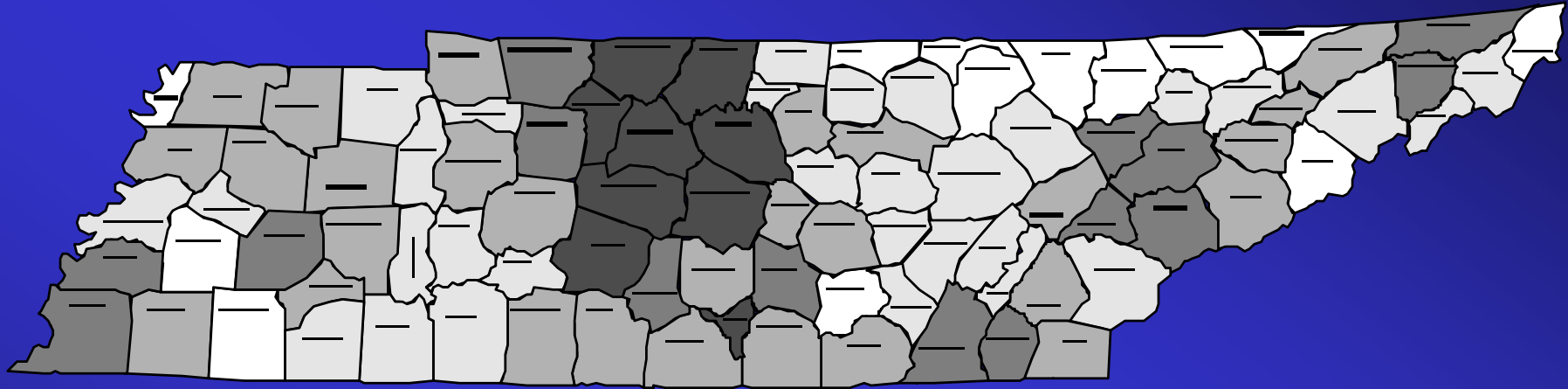
**National Average: 80.4%**

Only 8 counties in Tennessee are above the national average.





# Median Household Income - 2001



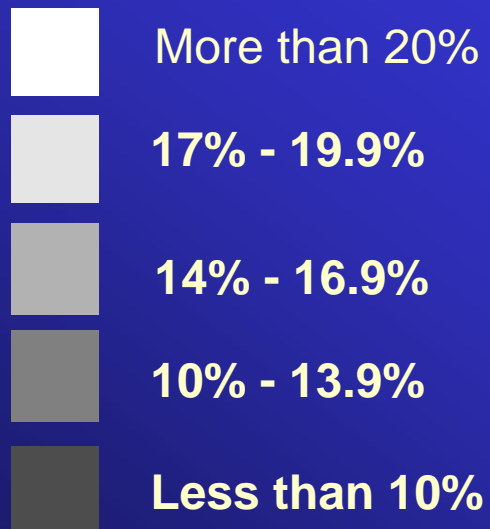
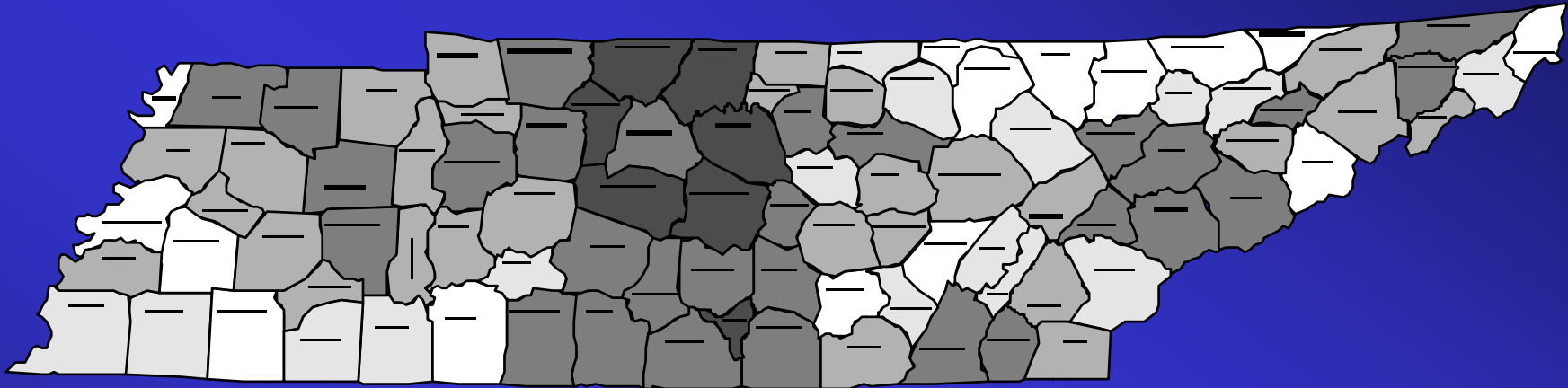
Median Household Income for  
State of Tennessee - 2001

**\$36,542**

**U.S. Average: \$42,973**



# Percent of Population in Poverty - 2001



## Examples of Poverty Thresholds in 2001

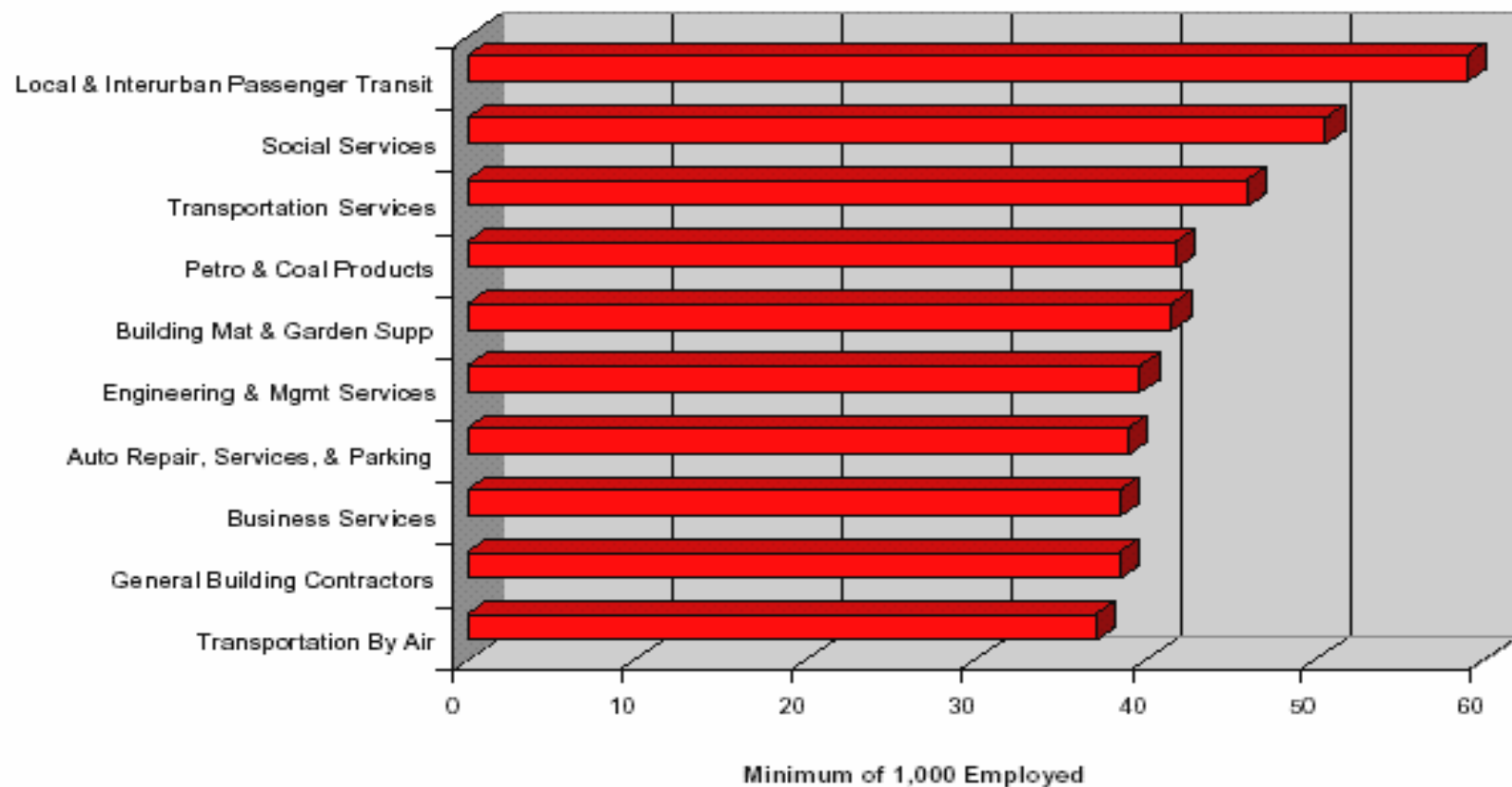
Family of four (2 children under 18) -  
**\$17,960**

Family of five (3 children under 18) -  
**\$21,665**



# Labor Patterns in Tennessee

High Growth Industries in Tennessee by Percentage Change  
1998 - 2008



# Economic Comparisons: Projected Job Growth

- Tennessee:**
1. Local and Interurban Passenger Transit
  2. Social Services
  3. Transportation Services

21.5% require college degree or management experience

- Georgia**
1. Computer Engineers
  2. Systems Analysts
  3. Sales Agents, Business

21.8% require bachelors or higher degree



# *The Tennessee HOPE Scholarship Program*



# Characteristics of Merit Aid Programs

- GPA and/or ACT requirements
- Limited/no income restrictions
- Award amount equivalent to in-state tuition and fees
- Support for independent institutions
- Best and Brightest
- Improved access to higher education for select students



# States with Broad Based Merit Aid Programs

Alaska

Florida

Georgia

Kentucky

Louisiana

Michigan

Mississippi

Missouri

Nevada

New Mexico

South Carolina

West Virginia





# State Comparisons

- **Alaska** - \$2,750
- **Florida** – 100% tuition and fees plus \$300 for college related expenses, or a comparable amount at a FL private institution
- **Georgia** – Full tuition and fees at public, \$3000 at private as well as \$1045 tuition grant supplement
- **Kentucky** – Up to \$1000 at a KY public or private institution
- **Louisiana** – Full tuition and fees at public, or comparable amount at a private
- **Michigan** – One time award of \$2500 in state, \$1000 out-of-state
- **Mississippi** – Up to \$2500 at a MS public or private institution
- **Missouri** - \$2000 at a MO public or private institution
- **Nevada** – Up to \$1100
- **New Mexico** – Full tuition and fees at public institution
- **South Carolina** – Full tuition and fees at a SC public, or comparable amount at private
- **West Virginia** – Tuition and fees, or \$2709 at an in-state private institution



# An Overview of the Lottery Development Process in Tennessee

- Background of the Education Lottery Taskforce
- Deliberations of the Lottery Taskforce
- Initial Taskforce Recommendation
- Final Taskforce Recommendation
- House Bill 787



# The Tennessee HOPE Scholarship Program

- Base HOPE Award (3.0 or 19 ACT)
- General Assembly Merit Scholarship (3.75 and 29 ACT)
- Need-based Awards (3.0 or 19 ACT and AGI below \$36,000)
- ACCESS Grant (2.75 and 18 ACT)
- Wilder-Naifeh Grant (Admission)

All students who graduate from a public, private, or home-school program may qualify for the award if they meet residency requirements



# Details of the Tennessee HOPE Scholarship Program

- Base HOPE Award (\$3000)
- General Assembly Merit Scholarship (\$4000)
- Need-based Awards (\$3000)
- ACCESS Grant (\$2000)
- Wilder-Naifeh Grant (\$1250)

Students must maintain a 2.75 in their freshman year and a 3.0 each subsequent year to retain the awards.



# The Impact of the Lottery in Tennessee

- As the program becomes engrained in the mindset of Tennesseans, it will promote greater expectations among families that higher education is in their children's future.
- Higher levels of student achievement throughout K-12 may be anticipated. More students will be graduating from high school, and better prepared high school graduates will enter and successfully complete college in greater numbers.
- The overall education attainment of the state will improve, which will translate into a more diversified and competitive labor force.



# *Questions?*

